

Telecom Reform & Trends

Telecom reform legislation

- House Bill 1279, which deregulated the telecom industry and enabled telecom companies to compete with cable providers, received overwhelming bi-partisan support and was signed into law by Governor Daniels on March 14, 2006.
- Indiana Telecommunications Association (ITA) and its 40 members supported the bill.

Investment statistics

- Nearly \$500 million total investment since the passage of HEA 1279.
 - Including \$112 million invested by small telcos
- Prior to HEA 1279, 102 communities had limited choice for high-speed Internet, 33 of which had no affordable access. Since the bill's passage, the consumers in these communities now have more options for broadband service.
- From July 1 to December 31, 2006, nearly 400,000 new high-speed technology lines were installed in Indiana, a 33 percent increase from the previous six-month period.
- As of December 31, 2006, Indiana had 1.5 million high-speed technology lines, a 98 percent increase over 2005.
- 2,000 new jobs created.

Indiana as a leader in telecom reform

- More than 20 states have followed Indiana's lead and passed telecom reform measures. Indiana was the first state to ensure that incumbent cable systems were allowed to take fair advantage of the state's new franchise terms upon competitive entry.

Competition

- HEA 1279 has encouraged new high-speed Internet and video competition between cable providers and telecom providers.
- The Indiana Utility Regulatory Commission has granted 35 video franchises, including 10 to traditional phone companies, allowing telecom companies to compete for video delivery services.
- Competition stands to lower the price of communication services. The FCC and GAO predict that in areas of competition, consumers can expect to see a 15 percent to 20 percent decrease in the cost of these services.

Source: Indiana Telecommunication Association, Inc.